

INFORMATION REPORT INFORMATION

## CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Rumania/Hungary	REPORT		25X1
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1. Current indications are that the projects envisaged in the 1952 Hungaro-Rumanian agreement will not be realized. According to the terms of this agreement, the Hungarian company, Tiszavideki Vegyi-kombinat and the Rumanian company, Romachim, were jointly to exploit Rumanian natural gas and to construct two large industrial combines.
2. The only concrete result of the agreement to date is a pilot plant in Buciumeni (N-44-15; E-26-25) which is nearing stages of completion. The Hungarian government, which invested 14 million Forint in this specific project, supplied the construction plans, machinery experts and engineers while the building materials and labor forces were supplied by the Rumanians. The Rumanians claim to have invested 21 million Lei in the pilot plant, an amount which is contested by the Hungarians, and which is still a subject of sharp controversy between the two Governments.
3. After the implementation of the New Course in Soviet and Satellite policy, the plans for the building of the Romachim works were dropped. The staff of the Tiszavideki Vegyikombinat has decreased to 21 officials. Present plans for Tiszapalkonya, which was to have been the site of one of the industrial combines, include a chemical fertilizer plant and a power station.

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